GRAIN TRANSPORTATION REPORT

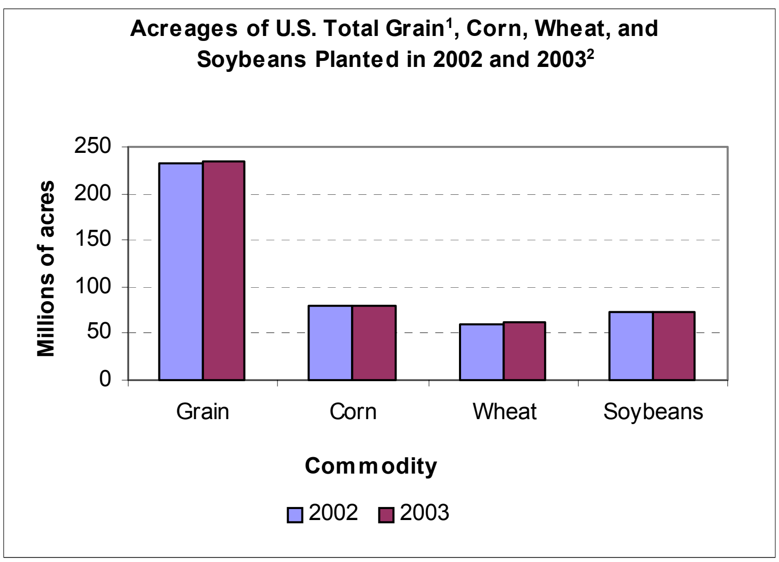
Transportation & Marketing, Agricultural Marketing Service
United States Department of Agriculture

APRIL 24, 2003

TM GRAIN TRANSPORT COST INDICATORS	Truck	Rail	Barge	Ocean Gulf	Ocean PNW
Indicator Value* for 04/24	103	106	49	110	108
Compared to Last Week	→	↑	↓	→	→

*Indicator: Base Year 2000=100; Weekly Updates include Truck=Diesel; Rail=Nearby Secondary Rail Market; Barge=Spot Illinois River Basis; Ocean Vessel based on Routes to Japan

U.S. Grain and Soybean Acreage Remains Relatively Unchanged in 2003. Planting intentions indicate that total acres planted of grain and soybeans (excluding rice) are 233.6 million acres, slightly down from 2002 acreage by 731,000 acres. The largest acreage is devoted to corn production, followed by soybeans and wheat (see figure below).



Data source: *Prospective Plantings*, NASS, USDA, March 31, 2003
[1]Includes corn, sorghum, barley, oats, wheat, soybean
[2]Intended plantings in 2003 as of early March

Acreage of Corn Planted Remains Stable in 2003. As of March 31, farmers intend to plant 79.0 million acres of corn for all purposes in 2003, relatively unchanged from 2002. Intended acreage is up in the Eastern Corn Belt due to growers switching back to corn after planting soybeans last year. Persistent wet weather last spring prevented some farmers in the area from seeding corn. Intended acreage is down in the all of the Great Plains States except North Dakota due to the expectations that drought conditions will persist.

Soybean Acreage Down 1 Percent. Soybean growers intend to plant 73.2 million acres of soybeans, down 576,00 acres or 1 percent, compared to 2002. This is the third consecutive year that the Nation is experiencing a decline in soybean acreage and the lowest planted acreage since 1998. Intended acreage is down in most of the Corn Belt and Central Great Plains States. Growers in the Northern Great Plains, upper Mississippi Valley, Atlantic Coast, and Delta Regions intend to increase the acres of soybeans planted, thereby offsetting some of the decreases experienced in the Corn Belt and central Great Plains.

Acres of All Wheat Planted in 2003 Are Up. All wheat planted in 2003 is expected to total 61.7 million acres, up 1.3 million acres or 2 percent from last year. Acreage of winter wheat planted at 44.3 million acres is up 6 percent from a year ago. About 31.9 million acres are devoted to Hard Red Winter, 8.2 million acres to Soft Red Winter, and 4.2 million acres to White Winter. At 14.6 million acres, 2003 acreage of other spring wheat planted is down 7 percent from 2002. About 13.8 million acres are devoted to Hard Red Spring. Intended planted acreage of Durum totals 2.83 million acres, down 3 percent from a year earlier.

Prospect for Grain Transportation Remains Stable. Based on the planting intentions, the demand for grain transportation should remain as it was in 2002. There is no significant change in total acreage devoted to grain and soybean production. However, there may be a shift in sourcing patterns among the regions. For reference, see *Grain Transportation Prospects* at www.ams.usda.gov/tmd/mta/index.htm. *Surajudeen.Olowolayemo@usda.gov.*

Report is prepared by Deen Olowolayemo, Johnny Hill and Karl Hacker, Agricultural Economists, Transportation & Marketing, Agricultural Marketing Service, USDA (202) 690-1304. Support provided by Upper Great Plains Transportation Institute, North Dakota State University. This report can be found on the Internet at www.ams.usda.gov/tmd/grain.htm. E-mail comments and questions to Surajudeen.Olowolayemo@usda.gov .

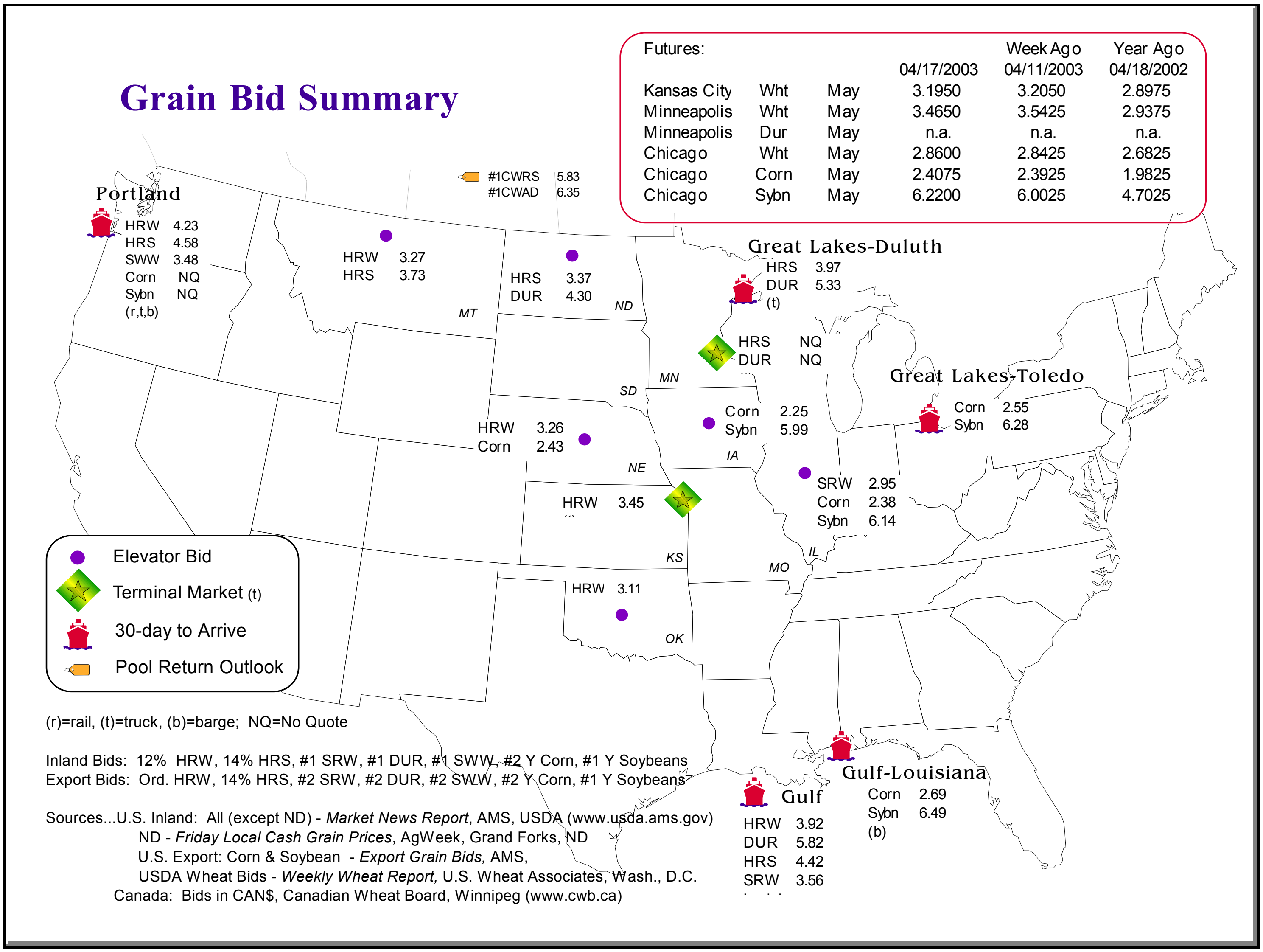
Contents

The Grain Transportation Report is a weekly news source for grain logistics. Detailed data and trend information on five major modes: barge, truck, rail, container, and vessel, provide timely insight into grain transport. The report is offered to policymakers and industry as a tool in day-to-day decision making and longer-term strategic planning for an effective and efficient U.S. grain logistics system.

Market Update: U.S. Origins to Export Position Price Spreads (Per Bushel)

Commodity	Origin--Destination	This week	Last week
Corn	IL -- Gulf	-0.31	-0.32
Corn	NE -- Gulf	-0.26	-0.26
Soybean	IA -- Gulf	-0.50	-0.59
HRW	KS -- Gulf	-0.47	-0.43
HRS	ND -- Portland	-1.21	-1.16

The **Grain Bid Summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.



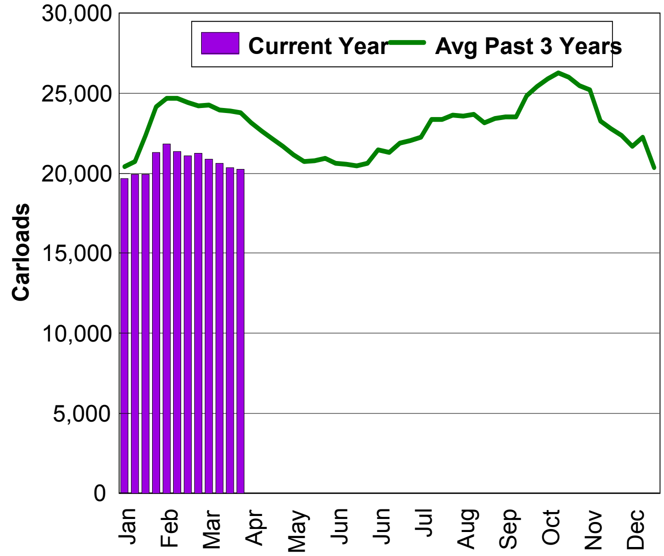
RAIL TRANSPORTATION

Rail Deliveries to Port (Carloads)

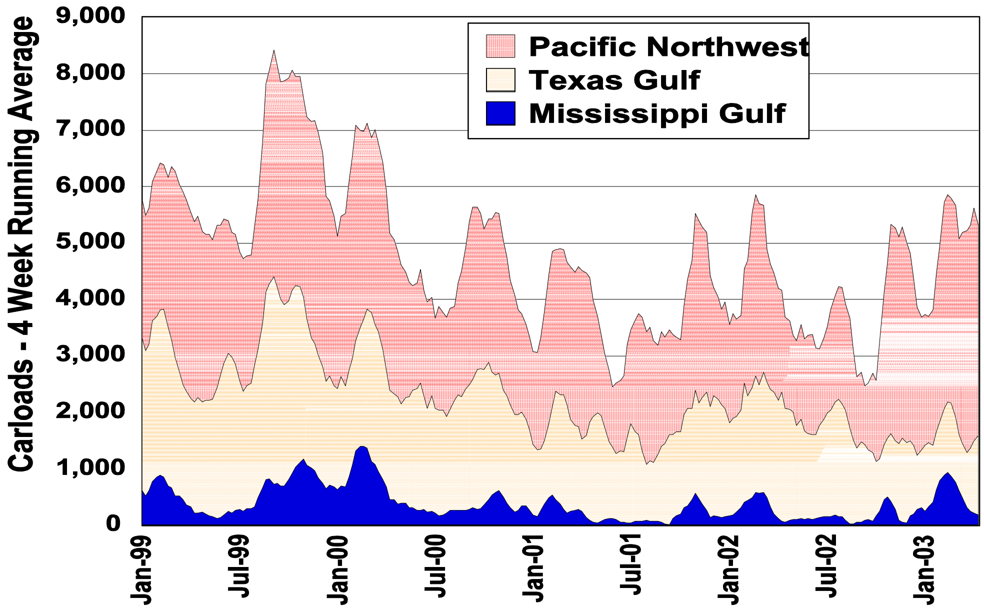
	Mississippi Gulf*	Texas Gulf	Pacific Northwest	Atlantic & East Gulf	Total
Week Ending:					
04/02/03	323	1,520	3,866	166	5,875
04/09/03	123	1,446	2,656	285	4,510
YTD 2003	7,839	17,803	52,200	8,180	86,022
YTD 2002	5,063	30,407	33,690	9,623	78,783
% YTD 2002	155%	59%	155%	85%	109%
Total 2002	11,112	83,799	111,719	21,551	228,181
Total 2001	10,022	81,804	111,376	26,604	229,806

Source: Transportation & Marketing/AMS/USDA; (*) Incomplete Data

Grain Car Loadings for Class I Railroads



Rail Deliveries to Port



Railroads originate approximately 40% of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Class I Rail Carrier Grain Car Bulletin (Grain Carloads Originated and Grain Service Index)

	East		West			U.S. Total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
04/12/03	2,573	2,676	7,364	309	6494	19,416	3,762	4,496
This Week Last Year	2,600	3,760	6,263	503	6,200	19,326	4,208	4,147
2003 YTD	43,221	47,995	117,553	5,575	97,594	311,938	51,611	52,109
2002 YTD	44,462	48,377	117,446	9,441	102,046	321,772	59,951	56,101
% of Last Year	97%	99%	100%	59%	96%	97%	86%	93%
2002 Total	142,760	164,745	400,179	27,161	344,296	1,079,141	191,835	195,765
U.S. Rail Covered Hopper Cars Online Index*								
March-03	97.0	101.4	94.1	86.0	90.2	94.2		

Source: Association of American Railroads; *Base Year =2001, Index based on Number of Covered Hopper Cars Online (available for Service).

Railroad Car 'Auction' Results

Average Premium/Discount to Tariff, $/Car - Last Auction

Delivery for:	Jun-03	Jul-03	Aug-03
COT/N. Grain	no bid	no bid	no bid
COT/S. Grain	no bid	no bid	no bid
GCAS/Region 1	$1	$1	no bid
GCAS/Region 2	no bid	no bid	no bid

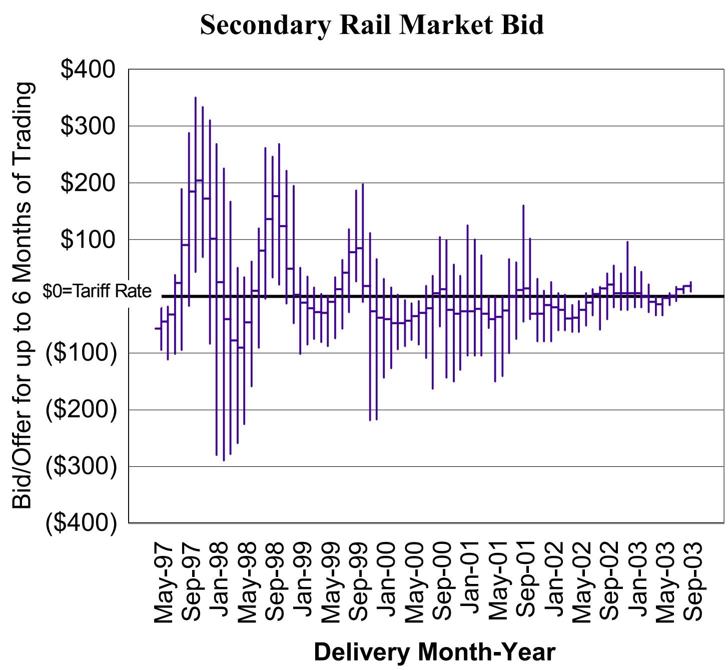
Source: Transportation & Marketing/AMS/USDA.
COT=Certificate of Transportation; GCAS=Grain Car Allocation System

Rail service may be ordered directly from the railroad via **Auction** for guaranteed service or tariff for non-guaranteed service, or through the secondary market. The **Secondary Rail Market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The auction and secondary rail values are indicators of rail service quality and demand/supply.

Secondary Rail Car Market

Average Premium/Discount to Tariff, $/Car - Last Week

	Delivery Period			
	May-03	Jun-03	Jul-03	Aug-03
BNSF-GF	$(16)	$(12)	$(6)	$4
UP-Pool	$(5)	$0	$7	$17



Tariff Rail Rates for Unit Train Shipments

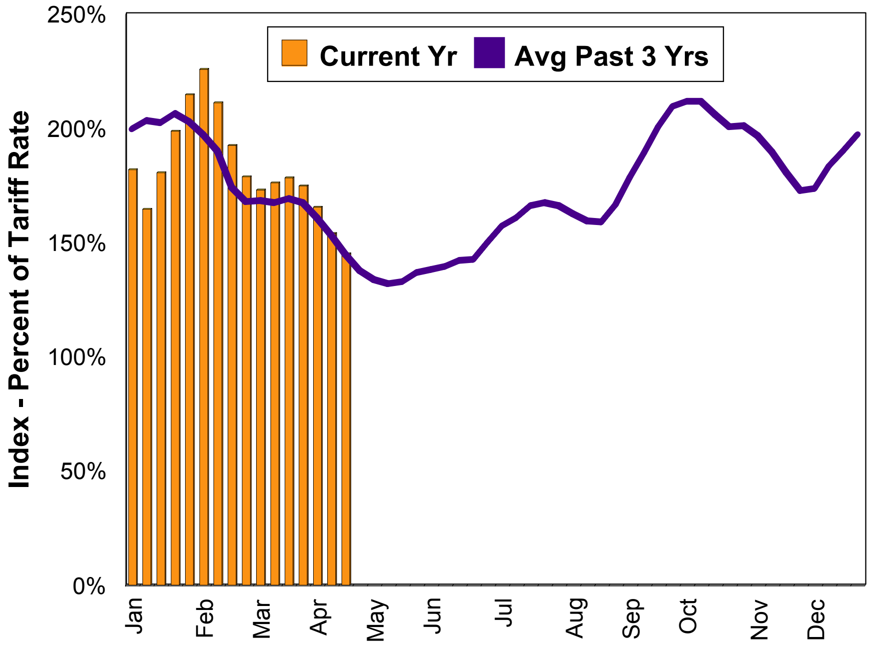
April 2003

Date Effective	Tariff Item	Commodity	Origin	Destination	Rate Per Car	Rate Per MT	Rate/Per Bushel*
04/07/03	45560	Wheat	Minneapolis, MN	Houston, TX	$2,050	$22.60	$0.62
04/07/03	43521	Wheat	Minneapolis, MN	Portland, OR	$3,877	$42.74	$1.16
04/07/03	46540	Wheat	Kansas City, MO	Houston, TX	$1,650	$18.19	$0.50
04/07/03	43586	Wheat	Kansas City, MO	Portland, OR	$4,420	$48.72	$1.33
04/07/03	43581	Wheat	Omaha, NE	Portland, OR	$4,005	$44.15	$1.20
04/07/03	31005	Corn	Minneapolis, MN	Portland, OR	$3,050	$33.62	$0.85
04/07/03	31035	Corn	Kansas City, MO	Portland, OR	$2,700	$29.76	$0.76
04/07/03	31005	Corn	Omaha, NE	Portland, OR	$2,850	$31.42	$0.80
04/07/03	61110	Soybean	Minneapolis, MN	Portland, OR	$3,030	$33.40	$0.91
04/07/03	61110	Soybean	Omaha, NE	Portland, OR	$2,780	$30.64	$0.83

Source: www.bnsf.com
Approximate load per car = 100 tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

BARGE TRANSPORTATION

Illinois River Barge Rate Index - Rate Quotes



The **Illinois River Barge Rate Index** averaged 183% of the Benchmark Tariff Rate between 1999 and 2001, based on weekly market quotes. The **Index**, along with **Rate Quotes** and **Futures Market** bids are indicators of grain transport supply and demand.

Calculating **Barge Rate** Per Ton:
Index × 1976 Tariff Benchmark Rate per Ton

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map below.

BARGE RATE QUOTES: Southbound Barge Freight
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

	4/16/03	4/9/03	May '03	July '03
Twin Cities	184	188	182	193
Mid-Mississippi	158	155	152	168
Illinois River	143	138	142	158
St. Louis	110	97	112	131
Lower Ohio	121	120	125	140
Cairo-Memphis	105	97	108	123

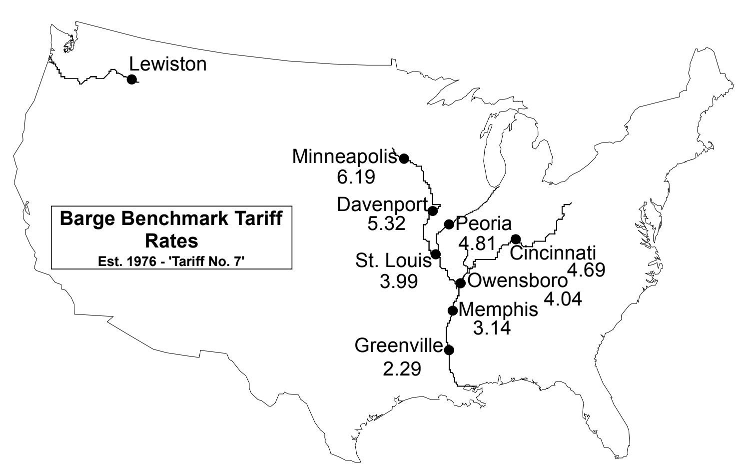
Source: Transportation & Marketing /AMS/USDA
nq=no quote

BARGE FUTURES MARKET

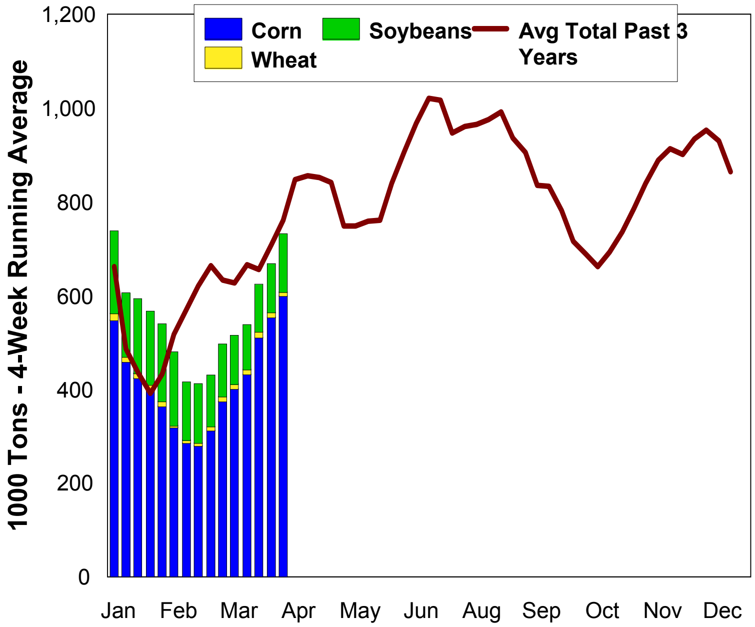
Southbound Barge Freight Nominal/Cash Basis Values
Index=Percent of Tariff, Based on 1976 Tariff Benchmark Rate

Week ended	River/Region	Contract Period	Rate: Futures	Rate: Cash
4/22/03	St. Louis	May	n/a	115
		July	n/a	125
		Sept	n/a	170
		Nov	n/a	150
		Dec	n/a	135
	Illinois River	May	n/a	135
		July	n/a	150
		Sept	n/a	185
		Nov	n/a	175
		Dec	n/a	165

Source: St. Louis Merchants Exchange



Barge Movements on the Mississippi River (Lock 27)



Barge Grain Movements (1,000 Tons)
for week ending 4/12/03

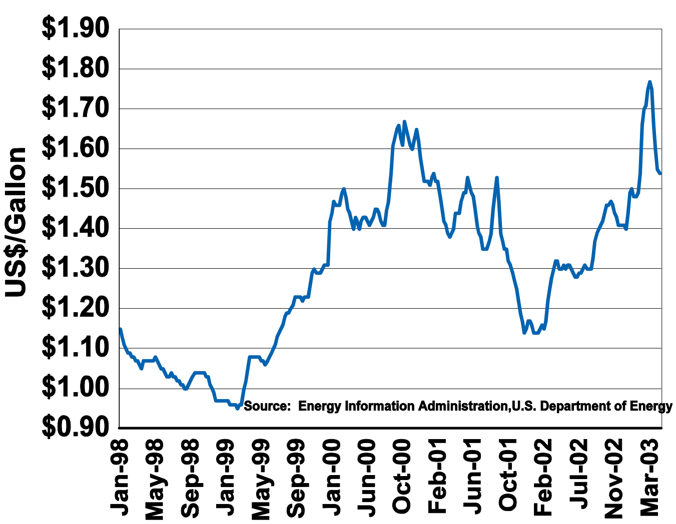
	Corn	Wht	Sybn	Total
Mississippi River				
Rock Island, IL (L15)	245	5	81	330
Winfield, MO (L25)	410	5	113	528
Alton, IL (L26)	603	3	166	774
Granite City, IL (L27)	596	3	162	762
Illinois River (L8)	164	3	53	222
Ohio River (L52)	33	4	17	71
Arkansas River (L1)	0	14	1	15
2003 YTD	7,296	525	3,086	11,254
2002 YTD	9,338	627	3,288	13,882
% of 2002 YTD	78%	84%	94%	81%
Total 2001	31,878	2,679	10,616	47,091

Source: U.S. Army Corp of Engineers
YTD and Calendar year total includes Miss/27, Ohio/52 and Ark/1.

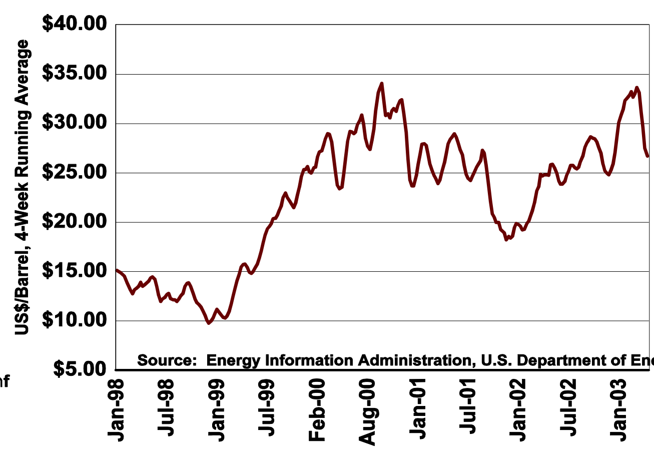
TRUCK TRANSPORTATION

The weekly **Diesel Price** provides a proxy for trends in U.S truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37% of the estimated variable cost. **Crude Oil Price** is an indicator in future diesel price trends.

Weekly U.S. Retail Road Diesel Price



Weekly Brent Crude Price, Friday Close



Crude Oil Prices (04/22/03) US$ per Barrel	This Week	Last Week	
Light Sweet Crude (NYMEX)	28.10	27.61	↑
Brent Crude	25.77	24.83	↑

Source: www.eia.doe.gov; *U.S. Refiner Crude Acquisition Cost, Composite Domestic & Import

Note: Light Sweet Crude is exchanged on the New York Mercantile Exchange. North Sea oil has a "benchmark" role in crude oil pricing. Brent crude, a blend of North Sea oils, is traded on the International Petroleum Exchange in London.

GRAIN EXPORTS

U.S. Export Balances (1,000 Metric Tons)

	Wheat						Corn	Soybean	Total
	HRW	SRW	HRS	SWW	DUR	All			
04/10/2003	1,086	331	1,166	477	193	3,252	5,657	3,205	12,114
This Week Year Ago	1,022	727	697	438	101	2,985	6,315	2,563	11,863
Commulative Exports-Crop Year									
02/03 YTD	6,088	2,616	5,673	3,123	634	18,133	24,469	24,163	66,765
01/02 YTD	7,484	4,749	4,765	2,743	1,029	20,771	27,893	23,550	72,214
01/02 Total	8,761	5,485	5,582	3,175	1,133	24,135	48,003	29,926	102,064
00/01 Total	9,314	4,445	5,775	5,156	1,130	25,819	47,734	27,567	101,120
99/00 Total	10,629	4,195	5,590	4,055	984	25,453	48,760	26,972	101,185

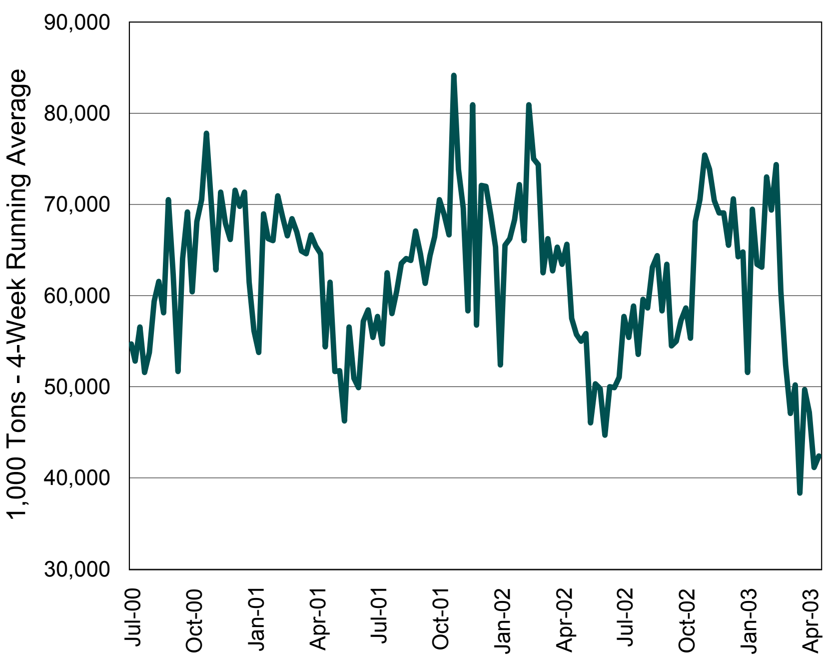
Source: Foreign Agricultural Service YTD-Year-to-Date (www.fas.usda.gov)

Select U.S. Port Regions - Grain Inspections for Export (1,000 Metric Tons)

	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region Total		
	Wheat	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Wheat*	*Corn*	*Soybn*	*Pacific*	*Mississippi*	*Texas*
04/17/03	72	161	61	33	604	183	57	0	0	294	820	57
2003 YTD	2,380	1,835	2,102	1,457	8,105	8,161	1,356	526	50	6,316	17,724	1,932
2002 YTD	2,792	1,675	960	1,920	11,374	7,687	1,930	105	235	5,427	20,981	2,270
% of 2002 YTD	85%	110%	219%	76%	71%	106%	70%	503%	21%	116%	84%	85%
2002 Total	10,007	5,877	1,639	6,829	34,991	17,996	6,971	468	468	17,523	59,816	7,906

Source: Federal Grain Inspection Service YTD-Year-to-Date

U.S. Grain Inspected for Export



Select Canadian Port Export Inspections
1,000 Metric Tons, Week End Summary

04/17/2003	Wheat	Durum	Barley
Vancouver	11		4
Prince Rupert			
Prairie Direct	17		1
Thunder Bay			
St. Lawrence	3,460	1,798	256
2001/02 YTD	8,878	2,283	711
2002/03 YTD	3,488	1,798	261
% of Last Year	255%	127%	272%

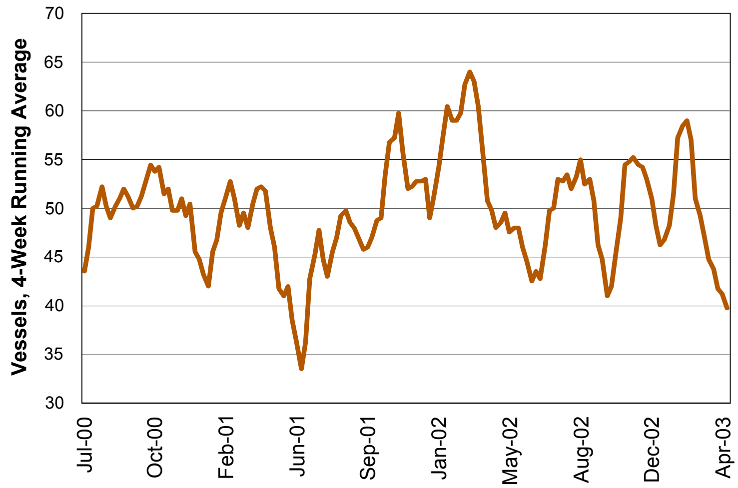
Source: Canadian Grains Commission, Crop Year 8/1-7/31

Port Region Ocean Grain Vessels

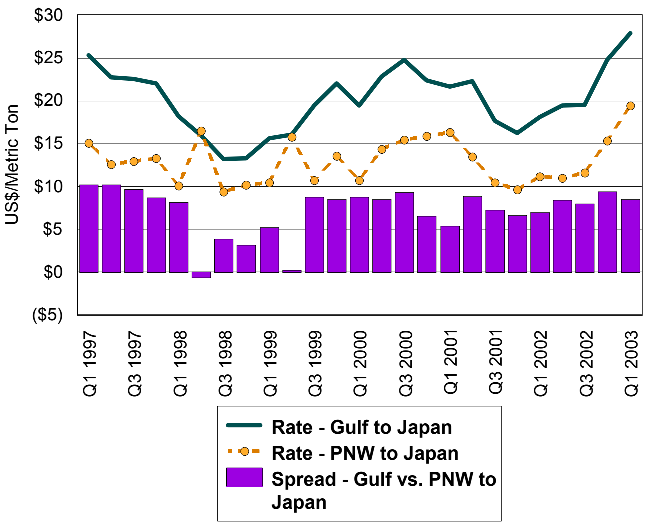
	Gulf In Port	Gulf Loaded 7-Days	Gulf Due Next 10-Days	Pacific Northwest In Port	Vancouver B.C. In Port
04/10/03	24	44	49	4	4
04/17/03	11	34	43	9	5
2002 Range	(15..55)	(33..66)	(44..82)	(3..15)	(0..12)
2002 Avg	35	51	65	8	5

Source: Transportation & Marketing /AMS/ USDA

Gulf Port Region Grain Vessel Loading
Past 7 Days



Grain Vessel Rates to Japan



Quarterly Ocean Freight Rates
Average Rates & Percentage Changes, U.S. Dollars/Metric Ton

	2003 1st Qtr	2002 1st Qtr	% Change		2003 1st Qtr	2002 1st Qtr	% Change
Gulf to				**Pacific NW to**			
Japan	$27.91	$18.25	53%	Japan	$19.43	$11.31	72%
Mexico	-	$31.49	-				
Venezuela	$15.00	-	-				
N. Europe	$14.50	$10.67	36%	**Argentina/Brazil to**			
N. Africa	-	$17.58	-	Med. Sea	$25.35	$17.85	42%
Med. Sea	$14.50	$10.97	32%	N. Europe	-	$13.48	-
				Japan	-	$25.59	-

Source: Transportation & Marketing/AMS/USDA

Ocean Freight Rates for Selected Shipments - week ending 4/12/03

Export Region	Import Region	Grain	Month	Volume Loaded (Tons)	Freight Rate ($Ton)
U.S. Gulf	Haiti	Wheat	Apr.19/29	8,000	$62.00*
U.S. Gulf	Haiti	Wheat	May 10/20	8,000	$62.00*
U.S. Gulf	Sierra Leone	Wheat Bagged	Apr. 8/15	2,650	$150.00*
U.S. Gulf	Mauritania	Wheat	Apr. 5/15	7,500	$50.00*
U.S. Gulf	Madagascar/Kenya	Wheat	Apr. 5/15	2,000/6,410	$84.50*
U.S. Gulf	Kenya	Wheat Bagged	May 8/15	3,900	$335.69*
PNW	No. Korea	Wheat	Apr. 21/25	10,000	$139.98*

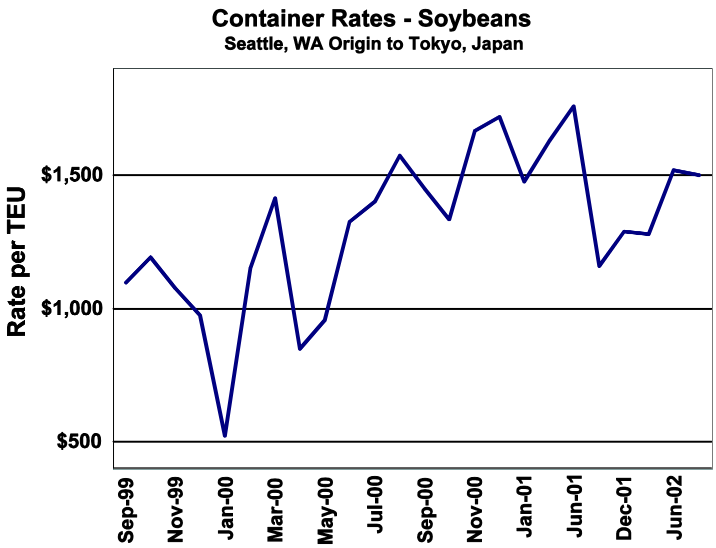
Source: Maritime Research Inc.

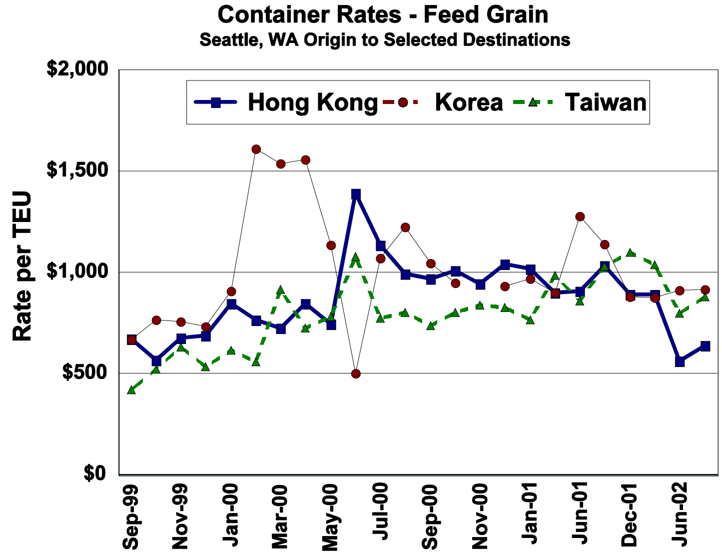
Rates shown are for metric ton (2,204.62 lbs.=one metric ton), F.O.B., except where otherwise indicated; op=option

*Most food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are of limited availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

CONTAINER

Container Ocean Freight Rates
Average Rate per TEU, Weighed by Shipping Line Market Share
Source: Transportation & Marketing/AMS/USDA, Quarterly Updates





Approximately 420,000 MT of grain and oilseed exports were marketed via container in 2001. This volume increased 26% compared to 1997.